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SUBJECT: ISTC GOVERNING BOARD IN MOSCOW APPROVES WORKING
GROUP ON TRANSFORMATION; CELEBRATES 15 YEAR ANNIVERSARY
AMID UNCERTAIN FUTURE

Sensitive but Unclassified) please handle accordingly.

SUMMARY

11. (SBU) Amid continued uncertainty over its future, the International Science and Technology Center (ISTC) held Coordinating Committee (CC) and Governing Board (GB) meetings, and celebrated its fifteen-year anniversary December 7-10, 2009 in Moscow. The GB agreed to establish a working group, to be co-chaired by the U.S. and Russia, to discuss the future of the ISTC. The main objective is to address Russian questions about the ISTC's continuing relevance. Arguing that its assistance legislation did not give it any flexibility, the European Union opposed U.S. language in a draft "joint statement" designed to alleviate Russian embarrassment over the existing ISTC Agreement's implication that Russian scientists remain the same kind of proliferation threat they did in the early 1990's. All participants were able to agree to weaker language that reiterated the December 2008 GB statement about the ISTC's success in meeting its original objective of redirecting former weapons scientists.

12. (SBU) Secretary Clinton's congratulatory message at the December 10 celebration of the ISTC's 15th Anniversary, read by Ambassador Beyrle, sent a strong signal of U.S. sensitivity to Russian concerns and interest in developing a reinvigorated ISTC. The U.S. Party led by Ambassador Bonnie Jenkins also held bilateral meetings with senior officials from the Russian Ministry of Foreign Affairs, state nuclear power corporation Rosatom, and the four other Funding Parties of the ISTC. The MFA, which opposes the ISTC in its current form, was pointedly absent from all of the week's official events. END SUMMARY.

13. (U) A U.S. delegation led by Coordinator for Cooperative Threat Reduction Programs Ambassador Bonnie Jenkins, and including Department, DOE, and Embassy officials, participated in the preparatory ISTC Coordinating Committee,

a non-governmental organizations (NGO) Roundtable, the decision-making Governing Board, and Fifteenth Anniversary meetings in Moscow December 7-10, 2009. U.S. GB member Victor Alessi and overall GB Chairman Ronald Lehman also played important roles in the meetings.

Working Group on Transformation

¶4. (SBU) At the CC meeting, the U.S. Party put forward language that went beyond the December 2008 GB Statement recognizing the success of the ISTC in achieving its original mission of redirecting weapons scientists and proposing that a consultative process therefore be developed to discuss future options for the ISTC. The European Union (EU) and Russian Party agreed in principle to establishing a consultative body but not to the statement as proposed. In pre-meeting discussions in Moscow, the EU representatives said that they had been unable to get clearance for the stronger language in a U.S.-proposed "joint statement" designed to allay Russian irritation over the existing ISTC Agreement's implication that Russian scientists still represent a serious proliferation threat. Such a statement, the EU argued, would undermine their legislation's justification for assisting Russia, a justification founded on the need to redirect Russian scientists. At the GB meeting, the Parties agreed to the related U.S. proposal to open consultations among the ISTC parties in order to find common ground on which to base a possibly transformed Center.

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Russian GB member Lev Ryabev suggested that a working group be established at which he would be able to present his "personal" views. Accepting this idea, the GB Record of Decisions included the following: "The Board decided to set up a working party with a mandate to discuss options and to make proposals regarding the future of the ISTC including a possible review of the Agreement." The U.S. drafted Terms of Reference for the Working Group and received feedback from the other Parties. The Working Party will meet in Moscow in March and will be prepared to report to the GB at the next meeting in June.

Shifting U.S. Priorities at the ISTC

¶5. (U) The U.S. continues to focus its funding at the ISTC on projects that relate to nonproliferation cooperation, institutionalization of financial self-sustainability, and support of supplemental budget activities such as the Targeted Initiative on Biosecurity. This is in line with our vision of a transformed ISTC that can be a platform for scientific cooperation among equal partners on areas of global importance, including nonproliferation) in contrast to the existing, assistance-based mission centered on redirecting weapons scientists. At the CC, the U.S. announced funding for a project to develop technologies to more effectively detect nuclear materials in cargo, an initiative on the prevention of biological threats, and an agreed framework to cooperate with Russia on high-intensity light research. The U.S. also encouraged the Secretariat to continue to develop an initiative on nuclear forensics.

Russian Perspectives on Future of ISTC

¶6. (SBU) In discussions on the margins of the meetings, Rosatom representative and Russian GB member Lev Ryabev agreed to the U.S.-proposed consultations on the future of the ISTC. Ryabev suggested a working group that he could attend as a member of the GB. Ryabev said that all Russian stakeholders agreed that the ISTC had been a success and that

the situation had changed dramatically since the ISTC was launched fifteen years ago. The point, consequently, was that there was no longer a nonproliferation threat from Russian scientists (a view that MFA representative Rozhkov strongly emphasized in a separate meeting*see para 10). The 1992 ISTC Agreement, in effect, labeled Russia a nonproliferation threat; this stigma represented a serious problem for the Russian government today. Ryabev said there were varied points of view within the government on a future role in Russia for the ISTC. Some proposals had been made, including that the ISTC be closed, but no final decisions yet reached. With the scientist redirection objective accomplished, the task now, in Ryabev's own view, was to define a new objective for the ISTC. In a brief discussion with Ambassador Beyrle, he stressed that Russia would not agree to continue the ISTC for its own sake, but might be willing to support transformation in the context of demonstrating that it would add value for implementing new science projects of benefit to Russia. The projects, not the ISTC, should be the starting point. Rozhkov made similar points separately at the MFA.

Roundtable with NGO Representatives

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17. (SBU) In a roundtable hosted by Post, representatives from the Center for Policy Studies in Russia (PIR Center) and the Civilian Research and Development Foundation (CRDF) in Moscow met with Ambassador Jenkins to share views on the ISTC and Russian nonproliferation activities in general. The PIR Board is composed of many well-known Russian and U.S. nonproliferation experts, including Anatoly Antonov, Nikolay Spassiky, and Rose Gottemoeller. The Russian PIR representative stated that the ISTC was perceived very differently among various parties in Russia, from very positive to not so positive. In this context, he referenced other initiatives dating back to Gorbachev times and how many of those had been forgotten.

18. (SBU) In the context of discussing transitioning the ISTC from an assistance-based organization to one based on partnership, the representative for the Civilian Research and Development Foundation (CRDF) in Moscow stated "technical assistance is a necessary part of partnership", that partnership should not replace technical assistance in relations between Russia and the U.S., and that any transition should be conducted over a period of several years. In separate informal meetings, the representative from PIR agreed to explore the possibility of hosting a roundtable among government representatives and nonproliferation experts in Russia on the future of the ISTC.

ISTC CELEBRATES 15 YEARS OF SUCCESS

19. (U) A December 10 day devoted to celebration of the ISTC's 15th anniversary drew hundreds of past and present participants in its programs. Due attention was given to a review of the scientific achievements of the ISTC over the past 15 years. The key sentiment expressed by representatives of Russian and other former Soviet Union scientific institutions was gratitude for ISTC assistance at a critical time for their countries. Ambassador Beyrle, an engaged supporter of the ISTC, read a congratulatory message from Secretary Clinton. It gave a strong endorsement to the work of the ISTC and acknowledged that the challenge it had been originally designed for has been met, but also recognized its potential to make new contributions and expressed U.S. interest in making the ISTC a "nexus for renewed and refocused engagement" with scientists of the FSU and perhaps beyond. In discussions with Beyrle and his staff, Jenkins reviewed the options Washington felt the ISTC

faced: possible improvements under the existing Agreement, more sweeping transformation under a review) including possible amendment) of the Agreement, termination of the ISTC in favor of other, admittedly less capable, instruments of scientific cooperation, if that became necessary. Beyrle noted the Embassy's misgivings about an approach that might reopen the existing Agreement, citing the danger that the existing tax and other privileges could be lost in the process. Separately, all of the ISTC funding partners expressed similar concerns, while noting it would be difficult to avoid this issue.

Ambassador Jenkins' Bilateral Meetings with ROSATOM and MFA

¶10. (SBU) Ambassador Bonnie Jenkins also raised the G-8 Global Partnership and the Nuclear Summit in meetings with MFA and Rosatom officials. MFA Deputy Director, DVBR (Security and Disarmament Department), Oleg Rozhkov noted that he was pleased with the pre-Tokyo text of the Nuclear Summit Work Plan and could accept most of the language, while reiterating the position laid out in Rome that the Russians have no redlines on GP geographic expansion but do want

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assurance that existing commitments will be fulfilled and clarity on the amount of additional funds to be made available. He noted that the Summit should be focused and not distracted by other issues that other countries might raise and that, in agreement with a statement by Beyrle, Russia should have a prominent role in the Summit. Rozhkov opined that ISTC's mission in Russia was completed, and it would do better to pursue non-proliferation objectives elsewhere. In response to Amb. Jenkin's suggestion that the two countries initiate a dialogue on the future of the ISTC, he said it would be useful to discuss how fruitfully to use ISTC's current assets in other countries. Any future for ISTC in Russia would depend on identifying new programs first and then demonstrating the usefulness of ISTC for implementing them.

¶11. (SBU) For Rosatom's part, Deputy Director General Spasskiy told Ambassador Jenkins he worried that a full nonproliferation schedule of activities between January and the Nuclear Summit will result in rushed decision making on GP issues. Spasskiy said that Russian nonproliferation priorities are, in order, START, CTBT, and the 123 Agreement. He also stated that the Nuclear Summit "cannot be a seminar" and that "it has to be a summit" and that the entire process should be carefully prepared and orchestrated so as to not upstage the NPT Review Conference. Regarding ISTC, Spasskiy said both ISTC's goals and economic privileges in Russia belonged to an earlier time. On the way forward, it would be important to protect both the pipeline of ISTC projects and our cooperation.
Rubin